



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

MARY ANN WRIGHT
Acting Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

January 4, 2005

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 1669

Stephen Powell
Chimney Rock Corporation
P.O. Box 253
Castle Dale, Utah 84513

Subject: Division Directive and Request for Right-of-Entry Information, Chimney Rock Corp. Chimney Rock/Don 1&2 Mine, S/049/019, Utah County, Utah

Dear Mr. Powell:

It has been brought to the Division's attention that your State lease (SITLA Lease # ML45544) for the referenced site has expired, your contract with the BLM for the purchase of stone from the BLM portion of the site has expired, and that your business license and reclamation bond with Utah County has also expired (which suspends your County authorization to operate at this site). This also places your State (DOGM) authorization in jeopardy.

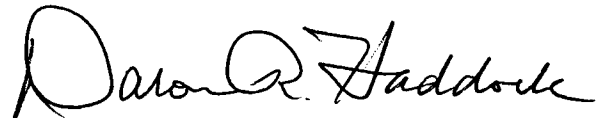
To resolve this situation and avoid potential enforcement action, you are hereby directed to provide proof of legal right to enter and remove stone from the Chimney Rock/Don 1 & 2 mine by January 31, 2005. The proof would normally consist of documentation that your State lease has been renewed, you have a lease or sales contract from the BLM, and that the reclamation bond has been replaced with the County (or a new reclamation bond and Reclamation Contract has been submitted to DOGM).

You are further directed to suspend all mining related activities at this site, including the removal of any materials until this matter is resolved. Failure to provide the requested right-of-entry information may result in formal enforcement action and an order to immediately reclaim the site.

Stephen Powell
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January 4, 2005

Please don't hesitate to call me at (801) 538-5325 or Lynn Kunzler at 538-5310 if you have any questions regarding this letter.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock". The signature is fluid and cursive, with the first name "Daron" being more prominent than the last name "Haddock".

Daron R. Haddock,
Permit Supervisor
Minerals Regulatory Program

DRH:lk:jb

cc: John Blake, SITLA
Mike Ford, BLM
Peggy Kelsey, Utah County
Mark Mesch, DOGM

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